GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2235
ANSWERED ON:15.12.2008
FOREIGN EXCHANGE SERVICE THROUGH POSTAL DEPARTMENT
Pallani Shamy Shri K.C .

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Department of Posts had tied up with banks to provide foreign exchange service in the country;

(b) if so, the details thereof, State-wise and location-wise;

(c) whether the Government has proposed to expand the service further and the revenue likely to be generated to the Postal Department through this service;

(d) if so, the details thereof; and

(e) if no, the reasons therefor?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI A. RAJA)

(a) Yes, Sir,

(b) Department of Posts has entered into an agreement with Centurion Bank of Punjab Limited on 17th March, 2008 for sale/purchase of Foreign Exchange through select Posts Offices. The Centurion Bank of Punjab Limited merged with HDFC Bank Ltd. on 23 May, 2008. The agreement was for a period of six months. On amalgamation of the Centurion Bank of Punjab Limited with the HDFC Bank, agreement entered with CBOP holds good in respect of HDFC Bank Ltd. The agreement which expired on 16th Sep-2008 is being reviewed by the Department of Posts for extension with HDFC Bank. The service of sale and purchase of Foreign Exchange is available at following 44 post offices across India, the list of which is attached as Annexure.

(c) Yes Government has a proposal to expand the service further. Wider access to the service would generate revenue for the Department of Posts.

(d) Expansion of the service in association with HDFC Bank to more locations is being considered by Department of Posts which is subject to grant of Full Fledged Money Changing Licence to identified Post Offices by the Reserve Bank of India.

(e) Does not arise in view of (d) above.